

RESOLUTION OF BOSTON REDEVELOPMENT AUTHORITY AUTHORIZING FILING OF  
AMENDATORY APPLICATION FOR LOAN AND CAPITAL GRANT FOR PROJECT NO.  
MASS. R-56

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WHEREAS, The Boston Redevelopment Authority is party to a Loan and Capital Grant Contract with the United States dated August 4, 1966, as amended;

WHEREAS, it is necessary and in the public interest for purposes of Project No. R-56 described in said contract (hereinafter referred to as the "Project"), that the Loan and Capital Grant be increased to provide for additional loan and grant assistance; and

WHEREAS, Title VI of the Civil Rights Act of 1964, and regulations of the Federal Department of Housing and Urban Development effectuating that Title, provide that no person shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination in the undertaking and carrying out of urban renewal projects assisted under Title I of the Housing Act of 1949, as amended;

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That an application to amend the Loan and Grant Contract No. Mass. R-56, dated August 4, 1966, as amended, for the purpose of seeking an increase of the Project Temporary Loan from \$41,832,709 to \$43,509,990, an increase of the Project Capital Grant from \$32,875,409 to \$34,452,690 is hereby approved, and that the Development Administrator is hereby authorized, for and on behalf of the Authority, to execute and file such Amendatory Application with the Department of Housing and Urban Development, and to provide such additional information and furnish such documents as may be required by said Department.

2. That the United States of America and the Secretary of the Department of Housing and Urban Development be, and they hereby are, assured of full compliance by the Authority with regulations effectuating Title VI of the Civil Rights Act of 1964.



BOSTON REDEVELOPMENT AUTHORITY

SOUTH END URBAN RENEWAL AREA

MASSACHUSETTS R-56

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AMENDATORY BUDGET REQUEST TO CONDUCT ADDITIONAL PROP-  
ERTY ACQUISITION WITH RELATED SERVICES AND COSTS IN A  
SPECIFIED AREA OF THE SOUTH END URBAN RENEWAL AREA

BACKGROUND

The Loan and Grant Contract for the South End Urban Renewal Plan was executed on August 4, 1966. An application for an amendment to the Contract was forwarded to the Regional Office on November 15, 1968, and has not been approved as of this date.

The South End Urban Renewal Plan outlined broad objectives for the rehabilitation and reconstruction of the area. A development schedule was developed with specified goals for each year of the life of the Project.

The BRA and the South End community recognized the serious need for new housing in the area to be constructed quickly in order to provide displaced families and individuals with an opportunity to remain in the South End Area if they so desired. Consequently, six separate housing sites were included in the first phase of the execution schedule. This resulted in the displacement of approximately 500 households--the majority of whom had to be relocated outside the area with the promise that they could return. Meanwhile, properties transferred entirely through the private market are bringing about substantial additional displacement of low income families and individuals who want to stay in the South End.

To meet the demand for housing for low income families in the South End, the BRA has assembled city-owned property and made it available to non-profit corporations desirous of providing such housing. While this program has been effective in quality it has limited potential to be effective in quantity. This fact has been in part responsible for the development of various militant groups within the area which are determined to change the trend.



## AREA DESCRIPTION

The area is bounded by Tremont Street, West Newton Street, Shawmut Avenue and Northampton Street. The area is predominantly residential in character consisting of multi-family building housing approximately 3500 persons. The average family income in the area is \$3900. Most of the housing is in a serious state of disrepair although feasible of rehabilitation. Thirty-six (36%) percent of the structures are absentee owned and these buildings house over 50% of the population.

## PROGRAM PROPOSAL

Section 403 of the South End Urban Renewal Plan provides that properties may be acquired if the property is not made to conform to the rehabilitation standards of the plan.

The BRA proposes to intensify its efforts to obtain the voluntary rehabilitation of property within the six block area. The absence of the capacity to acquire properties for rehabilitation will result in their being acquired by high income families thereby resulting in the displacement of families who desire to remain in the neighborhood. Therefore, the BRA proposes to purchase all absentee owned property within the area which is offered voluntarily for sale to the BRA by the present owners. Some of the owners have committed themselves to sell their holdings. These buildings will be rehabilitated for families displaced in the South End.

To achieve sound rehabilitation with resultant rents that tenants can afford will require a write-down on the sale of property in addition to the use of the public housing leasing program and the rent supplement program.

The South End Community Development Corporation, Inc., a nonprofit corporation which has demonstrated expertise in the areas of rehabilitation, leasing and management of property for low income families, has undertaken serious negotiations with a tenants' association in the area leading toward an agreement which will involve the tenants' association in all decision making matters.

## REQUIRED AUTHORIZATIONS

Based upon comparable acquisition costs for similar structures in the South End Area, it is estimated that an additional \$1,500,000 will be necessary for real estate purchases. An additional \$107,800 will be required for related acquisition, legal and administrative



costs. Two hundred thousand dollars (\$200,000) will be required for relocation payments.

Therefore, the BRA is requesting an amendment to the Loan and Grant Contract for the South End Project in the amount of \$1,807,800.

M E M O R A N D U M

December 12, 1968

TO: Boston Redevelopment Authority

FROM: Hale Champion, Development Administrator

SUBJECT: SOUTH END URBAN RENEWAL PROJECT (MASS. R-56)

Summary: This memorandum requests Board approval to make application for an amended budget for the South End Urban Renewal Project.

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A serious problem of displacement is occurring in the South End as the result of operations of the private real estate market. Properties are being acquired by families of high income which is resulting in the displacement of families who wish to continue to live in the area.

We propose to acquire properties owned by absentee owners in the area bounded by Tremont Street, West Newton Street, Shawmut Avenue and Northampton Street. This area, while scheduled for rehabilitation, contains some of the most deteriorated property not scheduled for acquisition in the South End.

Section 403 of the South End Urban Renewal Plan provides that "Property not designated for acquisitions as shown on the Property Map may be acquired by the BRA, if such property is not made to conform to the rehabilitation standards set forth in Chapter VIII, and if the procedures set forth in Section 808 are followed."

We propose to proceed immediately to require all owners of property in the above area to rehabilitate the properties in accordance with the South End Urban Renewal Plan. We have received indications from absentee owners of property of their unwillingness and inability to rehabilitate the properties and to voluntarily offer the properties for sale to the BRA.

Since it was not anticipated that many of these properties would have to be acquired, monies therefore were not provided in the approved project budget. It is, therefore, necessary to request an amendment to the project budget at this time.



The above proposal has been discussed with officials of HUD and while they have not given us a formal commitment, they have recommended we proceed in the manner indicated.

An appropriate Resolution is attached.